AUCTION DIRECTORY

OHIO

Wednesday Auto Auction. Exit 49 on I-270. Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

OHIO

Cincinnati Auto Auction — FMCC; IOA; GMAC;182 banks;flt & lease;repos;trnspt & full recon; Thursday 11AM. 800-433-5019 (Nat'l)-800-642-7319(Ohio)-513-874-9310.

OREGON

Portland Auto Auction. Fleet & lease accts. welcome, repos, etc. The West's best. Call: Rene', 503-286-3000. 3000 No. Hayden Island, Portland, Oregon 97217.

PENNSYLVANIA

Corry Auto Dealer Exchange, Route 6, P.O. Box 317, Corry, PA 16407. 814-664-7721. Every Thursday 12:30 sharp.

PENNSYLVANIA

Todd Auto Auction, Old Route 309, P.O. Box 380, Telford, Pa. 18969. 215-721-1300 or 800-234-TODD. Next Sale — Feb. 11th.

15 AUTO AUCTIONS FOR SALE THROUGHOUT THE U.S.A.

Join the fastest growing profit industry in the world today. Auto auctions in: Southern California, Texas, New Mexico, Kansas, Michigan, Kentucky, Louisiana, Florida, Pennsylvania.

All Available Now.

Sizes from 250 cars a week to 4,000 cars a week: Take advantage of this tremendous growth in the auto auction industry and call:

RESULTS, INC.
317-846-1806

PENNSYLVANIA

Hatfield Auto Auction
Route 309, Box 309
Hatfield, Pa.
FLEET & LEASE
From quick pickup to condition report to recon to sale. 21 years servicing the industry. Contact Paul Cleveland or Mort Gallub.
215-822-1935
Sale Every Tuesday, 11 A.M.

PENNSYLVANIA

Carriage Trade, Norristown, Pa. Every Mon. & Thurs., 6 PM (400 units), except 3rd Thurs. when GMAC auction (off lease/repos) at 11 AM. All dealers. Call: 215-CAR-SALE.

PENNSYLVANIA

"TOP OF THE MARKET"
manheim auto auction
Rt. 72, Manheim, PA 17545
EIGHT LANE SELLING
EVERY FRIDAY 10:30 A.M.
FULL FLEET/LEASE SERVICE
Phone (717) 665-3571

PENNSYLVANIA

PADE — Serving Dealers and Fleets
6 LANE SELLING
EVERY WEDNESDAY
1300 CAR CONSIGNMENT
PENNSYLVANIA AUTO DEALERS' EXCHANGE INC.
P.O. BOX 41 YORK, PA 17405
PHONE 717-266-6611
INDEPENDENTLY OWNED AND OPERATED SINCE 1957

PENNSYLVANIA

GARDEN SPOT AUTO AUCTION
EPHRATA, PA.
SALE TUESDAY, 10:30 A.M.
FULL SERVICE AUCTION
Out of state fleet & lease accounts welcome
Contact: **J. Omar Landis, Jim Landis**
P.O. BOX 501, EPHRATA, PA. 17522
717-733-7917

SOUTH CAROLINA

Rawls Auto Auction — Since 1938. Pickup, delivery unlimited. Recon facilities. Sale every Tues., 11 A.M. 803-657-5111 or 657-7244, Leesville, South Carolina.

SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 11 AM. Mid-South's newest auto auction.

TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

"Texas Tuesday Tradition"
BIG H AUTO AUCTION
14450 West Road, Houston TX 77041
Five Selling Lanes
Every Tuesday 10:00 AM
Full Fleet/Lease Service
Airport Pickup
Call The Help Hotline For Information
Houston (713) 890-4300
A Manheim Auction

TEXAS

San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

AUCTION DATES

Chrysler Motors

Feb. 2 — American Auto Auction, Walpole, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Feb. 3 — Southwest Auto Auction, Phoenix, Ari.; Butler Auto Auction, Gibsonia, Pa.; A.D.E. of Birmingham, Birmingham, Ala.; Minneapolis Auto Auction, Plymouth, Minn.; and Denver Auto Auction, Aurora, Colo.

Feb. 4 — Clanton's Auto Auction, Darlington, S.C., and Northway Exchange, Clifton Park, N.Y.

Feb. 5 — Manheim Auto Auction, Manheim, Pa.

Feb. 9 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; Arena Auto Auction, Chicago; Dallas Auto Auction, Grand Prairie, Texas; Riverside Auto Auction, Riverside, Calif.; and South Seattle Auto Auction, Kent, Wash.

Ford Motor Co.

Feb. 2 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 3 — Northway Auto Auction, Clifton Park, N.Y.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

Feb. 4 — Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Brasher's Sacramento Auto Auction, Rio Linda, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

Used Car Sales
Auction Averages

January, 1988	$4,841
Month ago	$5,898
Year ago	$5,494

Model Breakdown
Auction Averages

	JAN 1988	DEC 1987	NOV 1987
1988	$8,839		
1987	$8,435	$10,140	$10,220
1986	$6,516	$8,322	$8,454
1985	$5,501	$7,127	$7,199
1984	$4,349	$5,574	$5,640
1983	$3,362	$4,791	$4,844
1982	$2,303	$3,441	$3,504
1981	$1,926	$2,516	$2,542
Overall Average	$4,841	$5,898	$5,951

General Motors

Feb. 2 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Feb. 3 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Feb. 4 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

ALABAMA

AUTO DEALERS EXCHANGE
of BIRMINGHAM
Proudly Presents
GENERAL MOTORS FACTORY SALE
TUESDAY, FEBRUARY 9th - 10:00 A.M.

Below Is a List of the Day's Events:

I. 500-600 G.M. UNITS—Cleaned the Birmingham way. You will not find G.M. Factory units more front-line ready than you will at A.D.E. We take "pride" in having the best reconditioned vehicles in the country.—Come judge for yourself.

II. Free Southern Country Breakfast—Country Ham, Eggs, Grits, Home Fries and Home Made Biscuits & Gravy.

III. Free Steak Dinner — Immediately following the sale. All GM dealers are invited to a Free Charcoal Broiled Steak Dinner with all the Trimmings. This will be served in our on-the-premises restaurant.

IV. Free Airport Pickup—Convenient lodging at the exclusive Rime Garden Inn where A.D.E. special rates for suites are $56 per nite (The motel on the auction premises could possibly be ready for occupancy for this first sale). Call Gayle today for Auction Registration and Motel Reservations (205) 699-1010.

V. The most relaxing atmosphere you will ever experience at any auction with genuine Southern hospitality and service at its best where your courteous treatment is our first concern.

AUTO DEALERS EXCHANGE OF BIRMINGHAM
804 Sollie Drive, P.O. Box 130
Moody, Alabama 35004
Phone: 205-699-1010

Located 15 minutes East of Birmingham,
1/2 Mile North of I-20 on Hwy 411
(Eastbound on I-20 exit 144,
Westbound on I-20 exit 144.)

PRODUCTION

Auto output 27% below 1987 week

By Karen Detkowski
SPECIAL CORRESPONDENT

U.S. auto production last week totaled 126,388, 1.08 percent less than the 127,768 built in the prior week. The total was 27.33 percent below the 173,911 cars assembled in the same week last year.

Companies shared last week's estimated output as follows: General Motors, 42.91 percent; Ford Motor Co., 31.47 percent; Chrysler Motors, 14.16 percent; Honda of America Manufacturing Inc., 5.41 percent; New United Motor Manufacturing Inc., 2.57 percent; Volkswagen of America, 1.58 percent; Nissan Motor Manufacturing Inc., U.S.A., 1.06 percent; and Mazda Motor Manufacturing U.S.A. Corp., 0.84 percent.

Chrysler will close its Kenosha, Wis., assembly plant at the end of the 1988 model year. The plant builds Horizon America, Omni America, Gran Fury, Fifth Avenue and Diplomat. Horizon and Omni production will be transferred to the Jefferson Avenue plant in Detroit.

Volkswagen of America announced it will end operations at its Westmoreland, Pa., assembly plant on July 21.

Jetta production will cease March 31. The plant then will go down for five weeks and will return to build Golfs until July 21. About 2,500 workers will lose their jobs when the plant closes.

Domestic truck production was steady last week at 84,750 units, 0.32 percent above the previous week's 84,478 and 9.90 percent above the year-ago week's 77,117.

Chrysler's Dodge City truck assembly plant in Warren, Mich., will close today for inventory adjustment. Production will resume Feb. 15.

Chrysler scheduled overtime at its St. Louis (No. 2) truck plant and its Toledo Jeep plant last Saturday.

Ford slated overtime last Saturday at its Twin Cities truck plant. Daily overtime is scheduled this week for all Ford car and truck plants except the Edison, N.J., car plant.

GM scheduled overtime at its Baltimore; Flint, Mich.; and Moraine, Ohio, plants last Saturday.

Cars, trucks rise in Canada

Canadian makers continue to increase output with 19,525 trucks produced last week, 1.29 percent above the prior week's 19,277 and 24.78 percent above the year-ago week's 15,647.

So far this year, 73,080 trucks have been built, 16.10 percent above the 62,948 units completed last year at this time.

Last week's scheduled auto production of 24,096 was 23.92 percent above the previous week's 19,445 and 15.07 percent above the year-ago week's 20,941.

Year-to-date, 88,759 cars have been produced, 18.25 percent above the 75,062 assembled last year at this point.

Honda of Canada Manufacturing Inc. is expanding its Alliston, Ontario, assembly plant and will add the Civic hatchback in April.

U.S. CAR	Week Ended Jan. 30, 1988	Week Ended Jan. 31, 1987	Week Ended Jan. 23, 1988	Jan. Est.	Jan. 1 to Jan. 30, 1988	Jan. 1 to Jan. 31, 1987
Alliance	0	754	0	0	0	3,137
Total Eagle	0	754	0	0	0	3,137
Horizon	1,600	4,029	1,705	6,296	6,296	14,229
Sundance	2,150	2,499	2,058	8,225	8,225	8,125
Reliant	1,900	2,678	1,842	4,425	4,425	9,326
Caravelle	400	1,349	437	1,275	1,275	4,282
Gran Fury	200	0	114	757	757	0
Total Plymouth	6,250	10,555	6,156	20,978	20,978	35,962
LeBaron K	400	1,593	316	716	716	6,077
LeBaron J	0	1,571	0	0	0	5,496
LeBaron GTS	200	717	169	677	677	2,657
N. Yorker E-Class	0	1,963	0	0	0	6,186
N. Yorker C-Class	1,600	0	1,871	6,030	6,030	0
Fifth Avenue	1,200	0	1,321	5,115	5,115	0
Total Chrysler	3,400	5,844	3,677	12,538	12,538	20,418
Omni	1,600	3,551	1,636	6,126	6,126	12,309
Daytona	0	782	0	0	0	2,769
Shadow	2,150	2,284	2,359	8,583	8,583	7,417
Aries	1,900	2,575	1,626	4,480	4,480	9,133
Dodge 600	400	1,318	460	1,072	1,072	4,340
Dynasty	1,700	0	2,027	6,713	6,713	0
Lancer	200	795	254	889	889	2,343
Diplomat	300	0	418	1,341	1,341	0
Total Dodge	8,250	11,305	8,780	29,204	29,204	38,311
CHRYSLER MOTORS	17,900	28,458	18,613	62,720	62,720	97,828
Escort	9,200	7,485	9,660	36,178	36,178	29,586
Mustang	4,623	4,532	4,638	18,253	18,253	18,249
Tempo	4,026	4,113	4,650	17,205	17,205	16,286
Taurus	8,446	10,107	8,384	32,144	32,144	39,942
Thunderbird	3,459	3,041	3,360	12,578	12,578	10,415
Total Ford Div.	29,754	29,278	30,692	116,358	116,358	114,578
Lynx	0	1,255	0	0	0	5,015
Topaz	1,474	1,389	1,748	6,373	6,373	5,409
Cougar	2,308	4,588	2,410	10,499	10,499	15,566
Sable	2,126	3,255	2,143	8,138	8,138	11,815
Total Mercury	5,908	10,487	6,301	25,010	25,010	37,805
Continental	732	406	867	2,984	2,984	1,578
Mark VII	641	612	518	2,273	2,273	2,350
Lincoln	2,745	3,052	3,463	12,461	12,461	11,782
Total Lincoln	4,118	4,070	4,848	17,718	17,718	15,710
Total L-M Division	10,026	14,557	11,149	42,728	42,728	53,515
FORD MOTOR CO.	39,780	43,835	41,841	159,086	159,086	168,093
Skyhawk	1,035	0	1,017	3,109	3,109	4,094
Skylark/Somerset	575	2,267	655	2,987	2,987	8,855
Century	0	4,372	0	2,871	2,871	16,660
Regal (rwd)	0	1,830	0	0	0	3,690
Riviera	183	807	0	183	183	3,242
Electra	1,258	2,729	1,283	5,968	5,968	7,825
LeSabre (fwd)	2,400	1,820	2,373	9,485	9,485	9,020
LeSabre (rwd)	86	429	138	428	428	2,536
Reatta	160	0	59	219	219	0
Total Buick	5,697	14,254	5,525	25,250	25,250	55,922
Cimmaron	296	533	290	1,152	1,152	2,182
Eldorado	538	377	0	538	538	1,822
Seville	489	1,203	0	489	489	4,445
Brougham (rwd)	0	1,753	0	0	0	6,464
Deville (fwd)	4,000	3,978	4,034	14,810	14,810	13,955
Allante	30	50	0	30	30	167
Total Cadillac	5,353	7,894	4,324	17,019	17,019	29,035
Cavalier	6,989	7,052	6,654	27,038	27,038	28,645
Camaro	1,914	3,037	1,909	3,823	3,823	6,176
Celebrity	0	8,496	0	6,535	6,535	32,561
Corsica/Beretta	7,600	4,732	7,510	23,856	23,856	17,087
Monte Carlo	0	1,910	0	0	0	3,624
Caprice	4,441	5,256	5,333	17,212	17,212	12,956
Corvette	440	649	451	1,599	1,599	2,576
Total Chevrolet	21,384	31,132	21,857	80,063	80,063	103,625
Calais	1,825	2,631	1,763	8,327	8,327	10,241
Firenza	525	0	502	1,557	1,557	2,335
Cutlass Ciera	0	4,265	0	0	0	15,936
Cutlass Supreme	2,084	355	2,163	5,986	5,986	700
Toronado	363	606	0	363	363	2,341
88 (fwd)	3,253	5,183	3,259	13,440	13,440	16,6
88 (rwd)	344	359	358	1,278	1,278	1,733
Olds 98	1,822	1,826	1,809	6,599	6,599	6,606
Total Oldsmobile	10,216	15,225	9,854	37,550	37,550	56,698
Sunbird	2,275	2,812	2,039	8,597	8,597	8,492
Grand Am	4,800	5,595	4,854	19,183	19,183	20,620
Firebird	2,126	2,353	1,953	4,079	4,079	4,684
Pontiac 6000	0	1,786	0	86	86	7,080
Bonneville	1,927	3,159	1,916	7,899	7,699	12,902
Safari/Parisienne	199	310	130	353	353	678
Fiero	240	830	0	240	240	1,616
Total Pontiac	11,567	16,845	10,892	40,237	40,237	56,072
GENERAL MOTORS	54,217	85,350	52,452	200,119	200,119	301,352
HONDA	6,840	7,360	7,423	27,758	27,758	28,306
Civic	1,663	2,981	1,864	6,670	6,670	12,809
Accord	5,177	4,379	5,559	21,088	21,088	15,497
MAZDA	1,061	0	899	3,248	3,248	0
NISSAN	1,340	2,922	1,339	5,354	5,354	11,714
NUMMI*	3,250	4,039	3,175	12,801	12,801	16,249
Corolla	1,200	809	1,175	4,717	4,717	3,335
Nova	2,050	3,230	2,000	8,084	8,084	12,914
VOLKSWAGEN	2,000	1,947	2,026	4,026	4,026	5,981
Golf/GTI	1,500	1,697	1,526	3,026	3,026	5,231
Jetta	500	250	500	1,000	1,000	750
Total Cars, U.S.	126,388	173,911	127,768	475,112	475,112	629,523
Total Cars, Canada	24,096	20,941	19,445	88,759	88,759	75,062
U.S., Canada Cars	150,484	194,852	147,213	563,871	563,871	704,585
U.S., Canada Cars and Trucks	254,759	287,616	250,968	966,089	966,089	1,073,961

Monthly estimates may contain error of one or two units due to rounding.

CANADIAN CAR	Week Ended Jan. 30, 1988	Week Ended Jan. 21, 1987	Week Ended Jan. 23, 1988	Jan. Est.	Jan. 1 to Jan. 30, 1988	Jan. 1 to Jan. 31, 1987
Eagle	0	—	0	0	0	—
Premier	1,650	—	1,572	6,236	6,236	—
CHRYSLER MOTORS	1,650	152	1,572	6,236	6,236	603
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	4,037	—	4,122	16,823	16,823	—
Topaz	1,723	—	1,496	6,558	6,558	—
Crown Victoria	2,899	—	2,849	11,430	11,430	—
Grand Marquis	2,861	—	2,673	10,870	10,870	—
FORD MOTOR CO.	11,520	11,256	11,140	45,681	45,681	44,438
Celebrity	676	—	4	1,865	1,865	—
Cutlass Ciera	4,264	—	1,584	14,418	14,418	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	1,220	—	1,254	4,838	4,838	—
Regal	3,936	—	3,098	12,883	12,883	—
GENERAL MOTORS	10,096	9,183	5,940	34,004	34,004	28,744
HONDA	730	125	695	2,428	2,428	354
VOLVO	100	225	98	410	410	923
Total Cars, Canada	24,096	20,941	19,445	88,759	88,759	75,062

U.S. TRUCK☆	Week Ended Jan. 30, 1988	Week Ended Jan. 31, 1987	Week Ended Jan. 23, 1988	Jan. Est.	Jan. 1 to Jan. 30, 1988	Jan. 1 to Jan. 31, 1987
Caravan	1,900	—	2,035	7,297	7,297	—
Dakota	3,100	—	3,162	12,542	12,542	—
Mini-Ram Van	300	—	317	1,144	1,144	—
Pickups	1,500	—	1,585	6,212	6,212	—
Total Dodge	6,800	4,666	7,099	27,195	27,195	17,723
Cherokee	3,100	—	3,166	13,872	13,872	—
Commanche	800	—	892	3,697	3,697	—
Grand Wagoneer	300	—	350	994	994	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	227	1,068	1,068	—
Total Jeep	4,400	4,619	4,635	19,651	19,651	17,687
Voyager	1,800	—	1,872	6,715	6,715	—
Total Plymouth	1,800	—	1,872	6,715	6,715	—
CHRYSLER MOTORS	13,000	9,285	13,606	53,561	53,561	35,390
Aerostar	4,400	—	5,113	17,827	17,827	—
Bronco	1,285	—	1,260	5,076	5,076	—
Bronco II	3,015	—	3,102	12,659	12,659	—
Econoline	5,149	—	5,164	20,141	20,141	—
Heavy trucks	1,311	—	1,314	5,285	5,285	—
Light trucks	10,078	—	9,615	38,350	38,350	—
Ranger	7,738	—	6,918	26,867	26,867	—
Total Ford Div.	32,976	32,116	32,486	128,205	128,205	129,382
FORD MOTOR CO.	32,976	32,116	32,486	128,205	128,205	129,382
Astro	3,441	—	3,595	13,703	13,703	—
Blazer	563	—	442	2,162	2,162	—
Mediums/Heavies	40	—	325	1,339	1,339	—
P-Model	905	—	965	3,901	3,901	—
Pickups	6,068	—	5,900	23,395	23,395	—
S-10	5,473	—	5,166	20,555	20,555	—
S-10 Blazer	3,365	—	3,320	9,464	9,464	—
Sportsvan/Van	1,237	—	1,277	5,516	5,516	—
Suburban	1,550	—	1,268	5,447	5,447	—
Total Chevrolet	22,662	22,429	22,258	85,482	85,482	88,974
Jimmy	253	—	245	785	785	—
Mediums/Heavies	767	—	1,007	3,222	3,222	—
P-Model	115	—	51	265	265	—
Pickups	1,956	—	2,263	8,411	8,411	—
S-15	1,489	—	1,358	5,402	5,402	—
S-15 Jimmy	835	—	609	1,927	1,927	—
Safari	860	—	1,090	3,604	3,604	—
Suburban	893	—	792	3,444	3,444	—
Vandura/Rally Vans	1,143	—	983	3,720	3,720	—
Total GMC	8,311	7,700	8,398	30,780	30,780	30,218
GENERAL MOTORS	30,973	30,129	30,656	116,262	116,262	119,192
NAVISTAR	1,801	1,595	1,795	7,177	7,177	6,222
NISSAN	3,250	1,642	3,185	12,933	12,933	6,842
AM GENERAL*	450	50	450	1,800	1,800	200
MISCELLANEOUS*	2,300	2,300	2,300	9,200	9,200	9,200
Total Trucks, U.S.	84,750	77,117	84,478	329,138	329,138	306,428

CANADIAN TRUCK	Week Ended Jan. 30, 1988	Week Ended Jan. 31, 1987	Week Ended Jan. 23, 1988	to Est.	Jan. 1 to Jan. 30, 1988	Jan. 1 to Jan. 31, 1987
Caravan	3,062	—	3,165	12,038	12,038	—
Mini-Ram Van	232	—	220	884	884	—
Ram Wagon	594	—	541	1,703	1,703	—
Ram Van	1,296	—	1,394	4,073	4,073	—
Total Dodge	5,184	8,163	5,320	18,698	18,698	34,427
Voyager	2,850	—	2,967	11,204	11,204	—
Total Plymouth	2,850	—	2,967	11,204	11,204	—
Wrangler	1,018	—	954	3,644	3,644	—
Total Jeep	1,018	635	954	3,644	3,644	2,458
CHRYSLER MOTORS	9,052	8,798	9,241	33,546	33,546	36,885
FORD MTR. (lt. trks.)	3,648	3,370	3,682	14,268	14,268	13,206
Light trucks	3,336	—	3,208	12,187	12,187	—
Vans	1,386	—	1,183	4,886	4,886	—
Total Chevrolet	4,722	—	4,391	17,073	17,073	—
Light trucks	1,314	—	1,133	5,063	5,063	—
Vans	564	—	604	2,228	2,228	—
Total GMC	1,878	—	1,737	7,291	7,291	—
GENERAL MOTORS	6,600	3,279	6,128	24,364	24,364	12,056
NAVISTAR	225	200	226	902	902	801
Total Trks., Canada	19,525	15,647	19,277	73,080	73,080	62,948
U.S., Canada Trks.	104,275	92,764	103,755	402,218	402,218	369,376

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

C2700-1

Automotive News

February 8, 1988

©Entire contents copyright 1988, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

63rd year—$55.00 per year, $1.50 per copy

NISSAN WOES

Execs admit mistakes, start long road back

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

CARSON, Calif. — The set of crystal glasses was a holiday present a touch too generous. Its value was just above the official, but usually unenforced, corporate limit on gifts from vendors to Nissan Motor Corp. in U.S.A.

"I wasn't quite sure what to do with it," said a mid-level manager. "Then we all got a carbon of the letter (Senior Vice President Thomas) Mignanelli sent to Chiat/Day (Nissan's new advertising agency) explaining why he was returning his gift."

The manager followed suit and returned his the next day.

Mignanelli's message was clear: It is not business as usual at Nissan.

Mignanelli, the latest in a long line of former Ford Motor Co. executives to leave Dearborn for Nissan's Southern California offices, has been a take-charge top American official since he unexpectedly inherited the reins from C.P. "Chuck" King, who retired abruptly last summer, only weeks after recruiting Mignanelli.

Nissan's U.S. operations have undergone a massive reorganization in the past year, reflecting similar changes in the Japanese parent company.

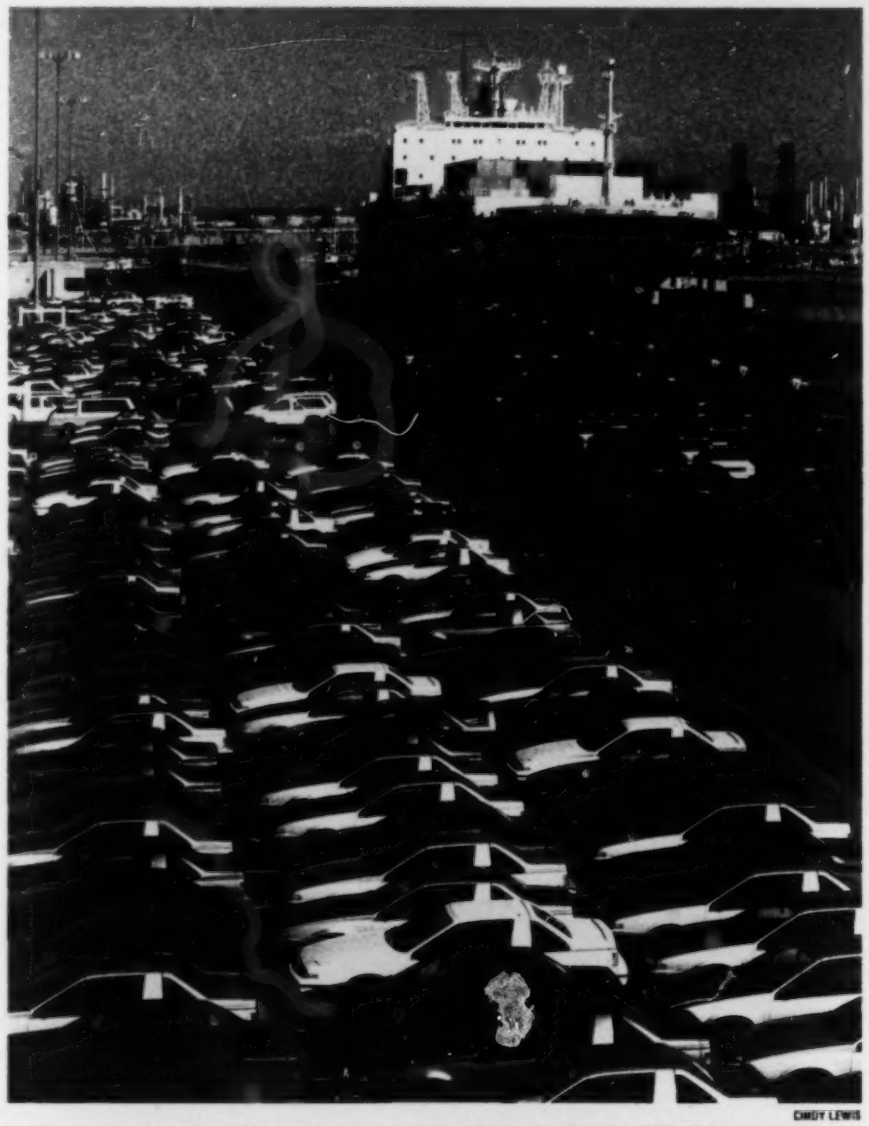
The goal of Nissan U.S.A. is expressed by President Kazutoshi Hagiwara: "We want to gain the No. 1 import position."

That is no easy task. Nissan fell 150,000 units short of projected sales in 1987 and is in danger of not making its share of Japan's 2.3 million export quota for the year ending in eight weeks. "They may make it if they rent enough dock space and barges," said one competitor.

At the same time, Nissan has only carryover products for 1988 and is just beginning to address structural problems masked for years by the easy-sales ways of Japanese car export restraints.

But Nissan U.S.A.'s efforts to reach Ha-

see NISSAN, page 242



CINDY LEWIS

No slowdown in shipments of Japanese cars to the United States despite sales difficulties for some makes

Japanese to import full quota

Incentives expected as stocks pile up

By Jesse Snyder
and Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTERS

LOS ANGELES — Fighting to retain their shares of Japan's 2.3 million car exports to the United States, auto importers say they will take delivery of their entire 1987-88 allocation of passenger cars by the March 31 deadline — regardless of sales.

Analysts say the resulting heavy inventories will prompt sales incentives for many Japanese importers for much of this year.

Some, like Nissan Motor Corp. in U.S.A., are having trouble finding port storage facilities. Dealer and in-port inventories are swollen above normal for Nissan, Mitsubishi Motor Sales, Subaru of America, American Isuzu, Chevrolet (supplied by Isuzu and Suzuki) and Chrysler (Mitsubishi).

Political concerns are overriding ordinary prudent business practices as companies scramble to import 2.3 million Japanese-built cars between April 1, 1987, and March 31, 1988. Importers fear that not accepting their full share of the total would invite Japan's Ministry of International Trade and Industry to reduce their allocation for the year beginning April 1, company executives say privately.

see QUOTA, page 242

Smith, Caplinger spell out 2 views on dealer relations

SAN FRANCISCO — Speakers at the opening session of the 71st annual National Automobile Dealers Association convention called for stronger relationships between dealers and manufacturers. However, they offered different suggestions for achieving improved relations.

General Motors Chairman Roger B. Smith, in remarks prepared to be delivered at NADA's opening session, said he is disturbed to see surveys, including the latest one from NADA, that show dealers believe manufacturers have too much control over them and do not understand and respond to dealer concerns.

"That doesn't sound like the attitude of one party united with another party 'til death do us part,' " Smith said. "In fact, it sounds like someone who ought to see a marriage counselor."

His solution: Each should gain a better understanding of each other's culture.

"We represent two different cultures, two different sets of operating principles," he said. "They should be able to complement each other to strengthen the franchise system. But all too often, they put

see NADA, page 241

TIME: *Pack, Texas Ford retailer, named Quality Dealer of Year*

SAN FRANCISCO — Sam Pack has been named the 1988 Time Magazine Quality Dealer of the Year. He is president and general manager of Lee Jarmon Ford Inc., Carrollton, Texas.

Pack will serve as the 1988 official spokesman for all 67 recipients of the Time Magazine Quality Dealer Award.

He was selected as Dealer of the Year by a panel of judges from the University of Michigan Graduate School of Business Administration. He was among 17 finalists.

The Time Magazine Quality Dealer Award is sponsored by Time in cooperation with the National Automobile Dealers Association. The award honors outstanding new-car dealers in the United States for "exceptional performance in their dealership combined with distinguished community service."

After 18 years with Ford Motor Credit

see TIME, page 241

SKELTON PHOTOGRAPHY

Incoming president Jimmy Payton drives predecessor James Caplinger across Golden Gate Bridge

Air bags slated for 5 Chrysler models in May

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

This spring, Chrysler Motors will become the first domestic automaker to provide air bags as standard equipment in its cars.

Beginning in May, driver-side air bags will be installed in five models: Chrysler Fifth Avenue, Dodge Diplomat, Plymouth Gran Fury, Chrysler LeBaron coupe and Dodge Daytona.

Fifth Avenue, Diplomat and Gran Fury — designated as M-bodies — are full-sized, six-passenger, rear-wheel-drive sedans currently built in Kenosha, Wis.

The J-body LeBaron coupe is a five-passenger, front-wheel-drive luxury sport coupe built at Chrysler's St. Louis Assembly Plant No. 1 in Fenton, Mo.

The G-body Daytona, a four-passenger, fwd sport coupe, is also made at the Missouri facility.

Introduction of air bags on the M-body implies that the large cars will continue to be built in 1989

Chrysler Corp. Chairman Lee Iacocca said last Thursday that M-body production would end in September unless demand for the cars justified a brief extension. He said

see AIR BAGS, page 247

Big 3 chop output 12% for 1st half

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

In a push to cut inventories and reduce the need for incentives, domestic automakers have slashed production plans for the first six months of 1988 by 12 percent.

According to the automakers' schedules, 3,510,846 cars will be built in the first and second quarters, off 12.42 percent from the 4,008,748 in last year's first half, with the bulk of the loss coming from General Motors.

GM will cut its car output by about 20 percent. Ford Motor Co.'s first-half production is slated to drop about 7 percent, and Chrysler Motors will end up almost 11 percent below the first half of 1987.

Updated first-quarter auto output — revised for the third time at GM and Chrysler — is scheduled at 1,703,909 cars, down 18.02 percent from last year's 2,078,359.

Second-quarter production is projected at 1,806,937 cars, down 6.40 percent from last year's 1,930,389, according to manufacturer's production schedules.

Tom O'Grady, analyst at Integrated Automotive Resources, said he believes the second-quarter car forecast is one of the more realistic projections issued by manufacturers in several quarters.

Keeping inventory levels down is the key, O'Grady said. That means automakers can reduce the high cost of incentives needed to spur buying in an overcrowded market.

Joseph Philippi, analyst at Shearson Lehman Brothers, said that the second-quarter forecast is more in line with current sales.

Philippi said that despite new incentive programs, automakers are trying to move away from incentives by cutting production and temporarily closing plants.

In each of the last two years, domestic makers had an inventory of nearly 1.7 million cars in August, requiring expensive incentive programs to clear the decks for the new model year. This year, Philippi said, makers hope to go into August with smaller inventories.

GM expects to build 831,347 cars during the second quarter, 13.93 percent fewer than the year-ago quarter's 965,890. The second-quarter plan is 330,000 fewer units than GM built in the second quarter of 1986.

Ford Motor Co. plans to assemble about 474,000 cars in the April-June span, 3.03 percent below the 488,803 built last year.

Chrysler Motors projects second-quarter output of 286,000 cars, down slightly (0.66 percent) from the 287,903 built during the same period last year.

Honda of America Manufacturing Inc. is the only automaker planning substantial production increases in both quarters. Honda plans to build 95,740 units during the second quarter, 14.49 percent more than last year's 83,623.

Nissan Motor Manufacturing Co. U.S.A. estimated second-quarter production at 32,890, 1.11 percent short of last year.

U.S. CAR PRODUCTION FORECAST

	FIRST QUARTER			SECOND QUARTER		
	Scheduled 1988	Actual 1987	% change	Scheduled 1988	Actual 1987	% change
GM	773,756	1,024,666	−24.49	831,347	965,890	−13.93
FORD	479,000	534,209	−10.33	474,000	488,803	− 3.03
CHRYSLER	260,000	324,282	−19.82	286,000	287,903	− 0.66
HONDA	92,050	87,398	+ 5.32	95,740	83,623	+14.49
NUMMI	41,600	50,707	−17.96	40,300	50,088	−19.54
VW	21,284	20,773	+ 2.46	15,200	20,824	−27.01
NISSAN	19,419	36,324	−46.54	32,890	33,258	− 1.11
MAZDA	16,800	—	—	31,460	—	—
INDUSTRY	1,703,909	2,078,359	−18.02	1,806,937	1,930,389	− 6.40

Lawsuit claims GM ignored brake fault

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

KANSAS CITY, Kan. — Two former General Motors supervisors are suing the automaker for $23 million, claiming they were forced to resign when they refused to ignore faulty brakes on cars built at the Fairfax, Kan., assembly plant.

The plant, which has since been closed and replaced by a new facility, had built Chevrolet Caprice, Buick LeSabre and Pontiac Parisienne.

GM Chairman Roger B. Smith, who visited the new Fairfax plant last Thursday, refused to comment on the details of the suit, saying it would be settled in court.

"But let me say this," Smith said. "We don't believe any cars were shipped with faulty brakes. One of the reasons I feel very confident in saying that is that, had that been the case, they would have shown up in the field as having brake problems, and we'd need to fix them.

"From everything we've been able to determine, and searching our files on the cars in the field produced by the plant, it does not indicate any cars came out of here with faulty brakes," Smith said.

Nevertheless, Fred White Jr. of Olathe, Kan., and Benjamin L. Staponski Jr. of Greenwood, Kan., claim that in May and June of 1986, they separately noticed serious brake defects on an unspecified number of cars, which caused fluid to leak out of the brake systems. It was further discovered by production management that brake-testing equipment failed to detect the problems, the suit says.

In both cases, management was notified but nothing was done, even though the Motor Vehicle Safety Specifications and GM specifications prohibit any brake fluid leakage. If there is any leakage, the car is supposed to be written up for repairs, the suit says.

Despite repeated repair write-ups for brake-fluid leaks, the plant's management refused to solve the problem, the suit alleges. The men were ordered not to discuss the problem with anyone outside the plant or with hourly employees, "as it would cause a plant shutdown and a recall," the suit says.

Eventually, GM brake experts were brought in from Detroit. One engineer said similar brake problems had been discovered at other GM plants building the same models, the court documents say.

The brake experts laid out a procedure for inspectors to visually check for brake-fluid leaks. However, the manpower was not provided to allow the procedure to be followed, the suit claims.

The suit further claims that when White and Staponski were able to force Fairfax production management to provide the inspectors, the "heavy repair (department) was saturated with brake repairs for visible brake leaks."

The suit says the two men turned over to production management more than 100 bolts, 40 brake hoses and 80 washers that were "exhibiting obvious stress, some even cracking." Shortly after, the men were told that the definition of a brake leak was being changed, so that cars could be shipped to the public despite leaks, the suit says.

However, the men refused to deviate from motor vehicle standards and GM specifications without written verification. At that point, they claim, they were verbally harassed and threatened with the loss of their jobs if they continued to write up brake leaks.

Ultimately, both men were told in May 1987 that because of their activities, they would not be given jobs at the new assembly plant in Fairfax, Kan. Both men said they reluctantly agreed to buyouts.

Since they left GM in May 1987, the men said they have searched for jobs but believe they are being blackballed by GM. They claim GM is giving them bad references, despite favorable evaluations throughout their GM careers.

White is 40 and had been with GM for 11 years. Staponski is 39 and had been with GM for 21 years.

"Both Ben and I were loyal to GM," said White. "Both our fathers were supervisors at GM. We always assumed that GM would take care of problems if we did our jobs."

White said, "They preached every day on both shifts about quality. We were told to preach quality to the hourly workers. And then, we were told to tell them that they check the brakes by how wet their finger was."

JOB CUTS: *VW sales slide means reduction in U.S. white-collar workforce*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Volkswagen of America will make "moderate" cuts in its salaried workforce during the next 11 months as the company adjusts to sales declines for its Audi and Volkswagen lines.

The company would not reveal the size of the reductions. But they will come in addition to layoffs stemming from this summer's closing of VWoA's Westmoreland, Pa., assembly plant.

That shutdown will eliminate about 400 white-collar positions at the plant and about 300 in Michigan, a spokesman said. At the beginning of the year, the company employed about 3,100 salaried workers in the United States.

Positions will be eliminated through a combination of layoffs, attrition and early retirements, the spokesman said. It's expected that about 60 percent will come from layoffs.

The Volkswagen United States regional office in Valley Forge, Pa., will be closed as part of the streamlining process. The company also expects to close a second regional office.

"We will be making adjustments to reflect the condition that we are in and what we expect it to be in the future," the spokesman said. "Over the course of the year, there will be a series of consolidations."

Sales of the company's VW-badged vehicles fell nearly 12 percent in 1987, to 191,705 units. On the Audi side, sales have plunged from a record 74,061 in 1985 to 41,322 last year. The decline has continued during the last six months, when Audis have been selling at an annual rate of 26,000 units.

The spokesman said the changes won't weaken any of the company's contacts with dealers.

INDEX

Around the world	208-222
Auction dates	226
Classifieds	230
Coming events	152
Dealing with dealers	22, 24
Legal	103
Marketing and media	202
News briefs	8
Obituaries	247
Opinion	10
Personnel	121, 124
Production	248
Recreation on wheels	19
Sales, car	246
Sales, import car	247
Sales, truck	246

63rd year—No. 5219

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Yugo acts to correct mistakes, move ahead

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Yugo America is undertaking "an important mid-course correction."

It is confronted with slumping monthly sales and a need to re-group before new models are introduced, said William Prior, president. The changes are to define the image of the subcompact and to reinforce the dealer network.

The first action was the recent announcement of an expanded four-year/40,000-mile warranty as well as free maintenance for one year. Other programs going into effect include:

- A new advertising campaign that will play down price and concentrate more on the features of the car.
- A series of customer satisfaction programs to be grouped under the title of SECURE — an acronym for Servicing Customers Responsibly. Those actions include a customer aid program, a mechanics' recognition program and port inspection services.
- Changes in dealer operating standards.
- More formal training programs.
- Establishment of a national fleet program.

Various indicators during the past year prompted those actions, Prior said. While monthly sales have been slipping since September, he said that was not his primary concern. Dealers were saying that the company was not as responsive as it could be, he said.

The Yugo image has not changed. The car's image is based on price, not features, although value will be given greater emphasis in a new advertising program. Yugo executives spent several months last year analyzing every element of the business, including dealer development, advertising, marketing and service. Prior called it "soul-searching."

Yugo-mania swept the country two years ago with a simple concept — basic transportation at a low ($3,990) price tag. Despite criticism from various quarters, including the enthusiast press, Yugo America sold 35,959 cars the first year and 48,812 last year.

Both figures were below projections, but the monthly sales reports showed increases — until September of last year, when sales began slipping.

The company has expanded rapidly during its short existence. The dealer network has grown from 86 in August 1985 to 324 today. To service the larger dealer network, the company divided the country into four regions and hired sales and service managers to staff those regions.

At the same time, Prior became increasingly involved in the expanding activities of the parent company, Global Motors, of which he is also president, and its drive to find and import other vehicles from various parts of the world. The largest of those projects is the Malaysian-built Proton Saga.

Yugo appeared to be rolling along nicely during that period of increased activity. But as Prior told Automotive News, the company was "falsely saying this was going OK."

Several signs indicated that there might be problems in the future if there were no corrections.

Last year was a time of "benign press" — without the criticism that the product received in 1986, Prior said. Yet Yugo was doing nothing to improve its image. The paradox, he said, was that Yugo made 225 product improvements during that period.

Prior added, "Even as we were improving the car, the image of the car wasn't getting any bet-

see YUGO, page 204

Honda model rated highest in repair cost

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Honda Civic CRX was the most costly to repair of 31 small cars included in low-speed crash tests conducted by the Insurance Institute for Highway Safety. A Ford Escort EXP had the lowest damage estimate of the models tested.

The test results, released last week, ranked small two-door models according to the cost of repairs needed after each car was crashed into fixed barriers at 5 mph.

Each of the four tests — front-into-barrier, rear-into-barrier, front-into-angle-barrier and rear-into-pole — was followed by damage appraisals. The four appraisals were then added together so the total cost of the damage could be used to rank the vehicles.

The insurance institute calculated that the repair cost for a Honda Civic CRX was $3,140, after damage estimates from all four tests were totaled. That was the highest total damage of all cars in the test. The CRX, however, did score lower than some other models in the front-end tests.

A spokesperson for American Honda Motor Co. said, "We don't believe the tests are realistic. Giving equal weight to the pole test greatly magnifies the significance of an accident that will happen only very rarely."

The Civic CRX scored the highest damage estimate of all models tested in the rear-into-pole test, sustaining $1,366 in damage. It also had the highest repair cost following the rear-end-into-barrier test: $922.

At the other end of the scale, the Ford Escort EXP sustained only $382 worth of damage from all four tests, making it the least costly vehicle to repair in this test.

The Ford Escort Pony was the second least costly vehicle to repair, with $407 in total damage.

The import with the lowest damage estimate was the Chevrolet Spectrum, at $412, which was the third-lowest repair bill.

The most-expensive-to-repair domestic vehicle was the Pontiac Fiero. According to the insurance institute, the four crash tests caused $1,935 in damage.

Vehicles that had total damage estimates higher than the Fiero's were the Honda Civic, $1,960; Volkswagen Jetta, $1,966; Pontiac LeMans, $2,121; Yugo GV, $2,756; and Honda Civic CRX.

Commenting on the test results, Institute President Brian O'Neill said, "Damage like this is unnecessary. The bumpers on any car ought to prevent all damage in impacts as slow as 5 mph.

"All the cars tested this year could have, and should have, been designed to perform as well as the best," he said.

O'Neill said the tests were conducted in part because "automakers don't disclose how their cars perform in low-speed impacts, so it is hard for consumers to try to avoid the cost and aggravation that can result from fender-benders by choosing cars that won't crumple up in 5-mph impacts."

WHAT SMALL-CAR CRASH REPAIRS COST

Make and model	Front into barrier	Rear into barrier	Front into angle barrier	Rear into pole	Total damage, all tests
Ford Escort EXP	$ 0	$ 10	$ 53	$ 319	$ 382
Ford Escort Pony	0	0	216	191	407
Chevrolet Spectrum	0	100	312	0	412
Toyota Corolla	0	0	227	214	441
Toyota Celica ST	0	0	213	357	570
Toyota Corolla FX	0	0	234	479	713
Hyundai Excel GL	0	36	372	359	767
Toyota Tercel EZ	0	0	493	384	877
Mazda 323	0	0	504	374	878
Subaru DL 3-dr	0	0	411	518	929
Chevrolet Sprint	0	147	465	415	1,027
Subaru XT GL 2wd	0	39	605	466	1,110
Nissan Pulsar NX XE	44	167	558	421	1,190
Mitsubishi Cordia	155	0	654	384	1,193
Dodge Daytona	327	524	246	192	1,289
Nissan Sentra E	0	0	447	871	1,318
Mazda MX-6 DX	0	29	205	1,168	1,402
Subaru Justy DL	154	113	579	589	1,435
Plymouth Sundance	86	131	614	622	1,453
Mercury Tracer	0	0	685	829	1,514
Volkswagen Golf	160	283	308	846	1,597
Acura Integra LS	83	0	766	808	1,657
Volkswagen Fox	118	548	315	724	1,705
Ford Festiva L Plus	328	132	657	635	1,752
Subaru GL hatchback 2wd	0	0	646	1,154	1,800
Pontiac Fiero	0	138	659	1,138	1,935
Honda Civic	0	591	547	822	1,960
Volkswagen Jetta	220	395	571	780	1,966
Pontiac LeMans	277	45	777	1,022	2,121
Yugo GV	312	537	863	1,044	2,756
Honda Civic CRX	176	922	676	1,366	3,140

SOURCE: Institute for Highway Safety.

NOTE: Chart shows low-speed crash repair costs (to nearest dollars) for 1988 models. Ford Escort Pony, Toyota Celica, Mitsubishi Cordia and Yugo are 1986 results updated to reflect 1988 parts and labor prices.

Chrysler's profits decline; sales rise

By Edward Lapham and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

NEW YORK — Chrysler Corp. last week reported 1987 net earnings of $1.29 billion, or $5.90 per share, on sales of $26.63 billion. That compares with net earnings of $1.39 billion, or $6.25 per share, on sales of $22.98 billion in 1986.

Chairman Lee Iacocca said the company has had a "number of discussions, even a number of offers" from worldwide suppliers for all or parts of its Acustar parts-making subsidiary. He said suitors have been interested in buying Acustar's "plums" such as its transmission maker, New Process Gear.

The 1986 financial results included a one-time net profit of $131.9 million from the sale of Chrysler's interest in Peugeot.

Chrysler's 1987 figures include those of American Motors, which it acquired last year, commencing with the Aug. 5 acquisition date. The 1986 corporate results were restated due to a change in required financial reporting standards.

In the fourth quarter, Chrysler said it posted net earnings of $350.2 million, or $1.57 per share, on sales of $7.75 billion compared with net income of $324.2 million, or $1.48 per share, on sales of $6.05 billion in the same period of 1986.

The company disclosed that its board had adopted a Share Purchase Rights Plan designed to thwart hostile takeover attempts.

"We believe Chrysler is an unlikely candidate for a hostile takeover," the company said. "But in today's volatile market, you have to plan for the unlikely as well as the likely."

The board declared a dividend of one Preferred Share Purchase Right on each share of the company's 220 million outstanding shares. The distribution will be made Feb. 22.

Essentially, the rights become effective in different situations involving takeover attempts. Each right allows the purchase at that time of one one-hundredth of a share of Junior Participating Non-Cumulative Preferred Stock at $120.

The plan, a fairly common corporate takeover defense strategy, is designed to make any hostile takeover attempt too expensive to pursue, thereby forcing a would-be raider to negotiate with Chrysler's board and protecting the equity investment of shareholders, according to Holly Leese, Chrysler staff counsel.

Chrysler's year-end financial statement showed the impact of its 1987 acquisition of AMC and Electrospace Systems Inc. Chrysler's current ratio, that is the ratio of current assets to current liabilities, slipped below break-even at Dec. 31, 1987, when the ratio was 0.93-to-1, compared with a current ratio of 1.05-to-1 12 months earlier.

Chrysler's debt-to-equity ratio also reflected the assumption of long-term AMC debt and other long-term commitments that increased leverage.

The year-end debt-to-equity ratio was 2.07-to-1 compared with 1.73-to-1 the previous year.

However, Chrysler did acquire a $480 million net operating loss and $40 million in tax credit carryforwards that can be used in varying amounts until the year 2001.

Chrysler also reported that year-end inventories rose to $2.55 billion from $1.70 billion 12 months earlier.

Iacocca told the press conference that Chrysler took a "huge bite" when it bought AMC, acquiring $1.4 billion in fixed costs it is now trying to eliminate without raising prices.

"If we increased our prices in line with what General Motors did, we could have increased our revenues and finished the year even better than we did — at least financially," Iacocca said. "That's not what we chose to do. We ate some of our profits to increase market share."

Iacocca said delayed launches for the C-body cars and the Eagle Premier were costly, as was the 7/70 powertrain warranty.

Chrysler's Jefferson Avenue Plant in Detroit will open in late 1991 or early 1992 as a new plant, Iacocca said. Chrysler will spend $75 million to transfer the Omni-Horizon tooling from its Kenosha, Wis., plant to Jefferson.

He also said he would like to stop making television commercials for Chrysler next year.

Worldwide factory sales of cars and trucks in 1987, including Jeep/Eagle vehicles sold after Aug. 5, totaled 2,260,290, compared with total 1986 worldwide factory sales of 2,198,415 cars and trucks.

Chrysler Financial Corp. reported record 1987 earnings of $225.8 million, up 22 percent from the previous record of $185.6 million in 1986.

Fourth-quarter net earnings for CFC were $59.8 million, second only to the $66.7 million earned in the fourth quarter of 1986.

FTC hits Calif. move to curb broker ads

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

The Federal Trade Commission has said that the California proposal to prevent auto brokers from advertising vehicles they do not have in stock should not be used as a means of driving those operations out of business (Automotive News, Dec. 7).

"We recognize that controversy exists about the competitive effects of automobile brokerage," said Marcy Tiffany, the FTC's Los Angeles regional director, in a letter to a state Assembly committee considering the rule.

"We take no position on what those effects might be. However, it is our view that restrictions on advertising should not be utilized as an indirect method of eliminating automobile brokers from the market."

The Assembly's Transportation Committee, headed by Democrat Richard Katz, is considering an amendment that would prohibit dealers from advertising a specific vehicle or a class of vehicles unless they are in the dealer's possession or available to the dealer "pursuant to a franchise agreement with the manufacturer or distributor of the vehicles."

Meanwhile, the state's Administrative Law Office is continuing its review of a 1971 law that prohibits dealers or brokers from advertising cars that are not on their premises and a subsequent regulation at odds with the code that allows such advertising if the dealer can contractually obtain advertised vehicles from another dealer.

Big 3 boost exports in 1987, plan further gains this year

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Aided by the falling dollar and a renewed commitment to exporting, the Big 3 automakers made strides in boosting shipments of North American-built products overseas last year.

General Motors increased exports by a third to a total of 51,122, compared with 38,417 in 1986. The company more than doubled its shipments to Europe and the Far East.

Chrysler Motors, meanwhile, exported 33,000 vehicles. About half of them were Chrysler products and the others were Jeeps.

Included in those numbers were the first 3,000 Chrysler-badged units headed for Europe, the focus of the company's export ambitions. It expects that number to jump to 10,000 units in 1988. Chrysler also expects to boost its Jeep shipments well beyond the 9,000 recorded in Europe last year.

Ford Motor Co. doubled its export volume to 22,000 units in 1987. Highlights of its effort included an expansion into Europe and stepped-up shipments to Japan and the Middle East.

While the exports represent a tiny portion of each company's overall business, they have taken on symbolic importance. The automakers view the increase as evidence that U.S. products can compete on a global scale, especially as they make their way into the back yards of the European and Japanese competitors.

The spirit generated by that development was evident at GM's Linden, N.J., assembly plant last week. The company took time out to mark the production of the first Chevrolet Corsica/Beretta models headed for Japan.

"I say beginning right now, let the battle cry ring out," Chairman Roger Smith told workers. "Look out, world: Here comes General Motors."

Smith called the exports a small but significant step in showing that the United States is on equal footing when it comes to building world-class cars. The first shipment will contain 41 Corsicas and Berettas and is part of an initial order of 1,125 cars. Last November, GM announced an agreement to sell Corsica/Beretta and the Pontiac Grand Am at Suzuki dealerships in Japan.

Each Corsica/Beretta will include a note, written in Japanese, that says, "We hope you will share your new GM Chevy experience with your family, friends and neighbors."

Ford also made export news last week as it began selling U.S.-built cars in Switzerland, the second European country on the automaker's list of new export markets.

Last year, Ford began shipping cars to Sweden, where it expects to sell 500 imported cars in 1988. The company anticipates similar volume in Switzerland.

The Taurus wagon and the Bronco II will be marketed through Ford of Switzerland and sold in the country's 70 Ford dealerships. About 200 vehicles have already reached showrooms. The company is also looking at exports to other European countries. Ford has exported North American products to the Netherlands since the 1950s.

Ford's 22,000 export shipments last year included 6,800 to the Middle East and 6,600 to Puerto Rico. In 1988, Ford expects to deliver 30,000 vehicles exported from North America.

The Associated Press contributed to this story.